

DELBELLO DONNELLAN WEINGARTEN
WISE & WIEDERKEHR, LLP
Counsel for Greenhorn Ventures LLC
One North Lexington Avenue
White Plains, New York 10601
(914) 681-0200
Dawn Kirby, Esq.

Hearing Date: December 20, 2018
Hearing Time: 10:00 a.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:
	:
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	:
	:
	:
Debtors.	:
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Chapter 11
Case No. 18-23538 (RDD)
(Jointly Administered)

SUPPLEMENT TO MOTION OF GREENHORN VENTURES LLC FOR ORDER (I) COMPELLING THE DEBTOR TO REJECT A NONRESIDENTIAL REAL PROPERTY LEASE PURSUANT TO 11 U.S.C. § 365(d)(2); OR IN THE ALTERNATIVE (II) ESTABLISHING A DEADLINE BY WHICH THE DEBTOR MUST ASSUME AND CURE ALL DEFAULTS OR REJECT THE LEASE; AND (III) MODIFYING THE AUTOMATIC STAY TO PERMIT GREENHORN VENTURES LLC TO PURSUE ITS RIGHTS, INCLUDING THOSE RELATED TO THE DEBTOR’S CONTINUING DEFAULTS UNDER THE LEASE PURSUANT TO 11 U.S.C. §362(d)(1)

Greenhorn Ventures LLC, an Idaho limited liability company, by and through its counsel, DelBello Donnellan Weingarten Wise & Wiederkehr, LLP, files this supplement (the “Supplement”) to its Motion For Order (I) Compelling Debtor to Reject Real Property Lease Pursuant to 11 U.S.C. § 365(d)(2); or in the alternative (II) Establishing a Deadline By Which the Debtor Must Assume and Cure all Defaults Under the Lease or Reject the Lease; and (III) Modifying the Automatic Stay to Permit Greenhorn Ventures LLC to Pursue its Rights, Including Those Related to the Debtor’s Continuing Defaults Under the Lease pursuant to 11 U.S.C. §362(d)(1) (“Motion”). In support of its Supplement, Greenhorn Ventures LLC states as follows:

1. As set forth in the Motion, Greenhorn Ventures LLC (“Owner-Landlord”) owns a commercial building and its additions located at 2258 Addison Avenue East, Twin Falls, ID 83303 (“Property”). Kmart Corporation (“Debtor-Tenant”) operates a Kmart retail store [Store No. 7006] at the Property pursuant to a nonresidential real property lease (the “Lease”).

2. Owner-Landlord recently learned that on December 10, 2018, a mechanic’s lien (the “Mechanics Lien”) was recorded against the Property by Kloepper Inc. A true and correct copy of the Mechanics Lien is attached as **Exhibit E**. The Mechanics Lien alleges that Debtor-Tenant failed to pay Kloepper Inc. for goods and services consisting of paving materials, gravel, concrete, labor and equipment in the total amount of \$135,889.67 plus accruing interest at 21% per annum. Upon information and believe Koepper Inc. was hired to repave the parking lot at the Property during the summer of 2018, an obligation that belongs to Debtor-Tenant under the Lease. The paving work was allegedly completed on September 11, 2018.

3. Thereafter, on or about November 9, 2018, Owner-Landlord purchased the Property. The purchase was facilitated through a loan collateralized by the Property (the “Mortgage”). Under Idaho law, the priority of a mechanic’s lien relates back to the date of commencement of the work. Thus, the Mechanics Lien purports now to take priority over the Mortgage and the Landlord-Tenant.

4. This newly discovered default under the terms of the Lease has jeopardized the Owner-Landlord by causing a default under the newly acquired Mortgage.

5. Debtor-Tenant has caused encroachment upon the adjoining property, potentially caused environmental contamination, and now has caused a default under the Mortgage. The

Lease defaults are significant, severely prejudice the Owner-Landlord's property rights, and require prompt attention.

6. Meanwhile, the Debtor is pressing forward with its bidding/sale procedures to sell Store No. 7006 and assign the Lease without any plan or adequate assurance to cure the defaults under the Lease in violation of 11 U.S.C. § 365(b)(1)(A).

7. Based upon the exigency of these monetary and non-monetary defaults, the Motion and Supplement should be addressed promptly. The Debtors' request to adjourn the hearing on the Motion should be denied unless the adjournment is to accommodate the Court's own needs with respect to its docket.

Dated: December 14, 2018
White Plains, New York

Respectfully submitted,

DELBELLO DONNELLAN WEINGARTEN
WISE & WIEDERKEHR, LLP
Counsel for Greenhorn Ventures LLC
One North Lexington Avenue
White Plains, New York 10601
(914) 681-0200

By: /s/ Dawn Kirby, Esq.
Dawn Kirby, Esq.